



PSC NEWS

Missouri Public Service Commission

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FOR IMMEDIATE RELEASE

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NATURAL GAS RATES TO CHANGE FOR AMERENUE CUSTOMERS

JEFFERSON CITY--To reflect estimated changes in the cost of natural gas for the remaining summer season (September and October), AmerenUE natural gas customers in the former Aquila, Inc. Eastern System service area (including the city of Rolla) will experience an increase in natural gas rates under a filing which takes effect on September 1, 2005.

The rate change is interim subject to refund. This is the first time AmerenUE has adjusted rates to reflect wholesale supplier changes since November of last year.

Current natural gas market prices are at record levels for this time of year. It is anticipated that wholesale natural gas prices will remain high and could get even higher in the coming months which would further impact customer bills.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

A residential customer currently pays \$1.2102 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$1.3102 per Ccf, an increase of approximately 10 cents per Ccf. The effect on a typical residential heating customer for the remaining summer season (September and October) is an increase of approximately 6% when compared to the rates currently in effect.

AmerenUE serves approximately 4,300 natural gas customers in the former service area of Aquila, Inc.'s Eastern System in Phelps County.